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MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA

January 1961

Number 6

Released Pursuant to \$1000.27 (j) and \$1000.85, USDA-AMS
Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY JANUARY 1961

The Chattanooga Order Minimum uniform producer price is \$4.96 per cwt. f.o.b. pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.

During January 78.7% of the total producer milk was priced in Class I at \$5.43 per cwt. with a butterfat differential of 7.9 cents and 21.3% was priced in Class II at \$3.50 per cwt. with a butterfat differential of 7.0 cents. The percent of producer skim and butterfat priced in Class I was 79.4% and 63.1% respectively.

The daily average delivery of producer milk during January decreased 0.7% compared with December and increased 4.9% compared with January 1960. The daily average use of Class I milk increased 0.6% compared with December and decreased 1.7% compared with January 1960.

MILK BASE -- 1961

New bases will be announced by February 28, 1961. Milk Bases were established during September 1960 thru January 1961. These bases are to be used for calculating payment for milk deliveries during March thru July 1961. If you do not receive your Milk Base Notice soon after March 1, 1961, please notify the Market Administrator.

PLANTS DISTRIBUTING MILK IN THE CHATTANOOGA MARKETING AREA

<u>Pool and Non-Pool Plants</u>	<u>County</u>	<u>Address</u>
Associated Dairies, Inc.	Hamilton	Chattanooga, Tennessee
Chattanooga Area Milk Prod. Assn.	Hamilton	Chattanooga, Tennessee
Cleveland Creamery, Inc.	Bradley	Cleveland, Tennessee
College Creamery	Hamilton	Collegedale, Tennessee
Cummings Dairy	Catoosa	Rossville, Georgia
Farm Fields Dairy, Inc.	Hamilton	Chattanooga, Tennessee
French Broad Dairy, Inc.*	Knox	Knoxville, Tennessee
Grant-Patten Milk Co., Inc.	Hamilton	Chattanooga, Tennessee
Happy Valley Farms, Inc.	Walker	Rossville, Georgia
C. D. Haslerig & Sons	Walker	Chickamauga, Georgia
Hines Dairy	Bradley	Cleveland, Tennessee
Home Stores, Inc.	Hamilton	Chattanooga, Tennessee
Mayfield Dairy Farms, Inc.	McMinn	Athens, Tennessee
Ray Moss Farms, Inc.	Hamilton	Chattanooga, Tennessee
Nance's Dairy	Catoosa	Ringgold, Georgia
Russell-Davis Dairy, Inc.*	Knox	Concord, Tennessee
Sanders Dairy, Inc.	Hamilton	Chattanooga, Tennessee
Sealtest Foods-Southern Division	Hamilton	Chattanooga, Tennessee
Stoffell's Dairy, Inc.*	Knox	Knoxville, Tennessee

* Regulated by Federal Order No. 88, Knoxville, Tennessee

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	Jan. '61	Dec. '60	Jan. '60
Number of Plants (Pool and Non-Pool)	19	19	19
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	2,340	10,236	83,728
Producer Milk - Bulk Tank	436,113	431,406	334,295
Total Producer Milk Pounds	438,453	441,642	418,023
% Jan. '61 compared with:	100.0	99.3	104.9
Other Source Milk Pounds	8,051	13,387	6,213
Other Order Milk Pounds	7,001	7,735	4,098
<u>TOTAL RECEIPTS MILK POUNDS</u>	<u>453,505</u>	<u>462,764</u>	<u>428,334</u>
% Jan. '61 compared with:	100.0	98.0	105.9
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	289,621	292,194	295,446
Buttermilk	37,936	38,619	39,760
Chocolate Milk	7,282	6,788	6,754
Fluid Skim	11,164	9,762	10,799
Fluid Creams	2,381	2,803	2,269
Bulk to Non-Handlers	308	573	2,386
Class I Shrinkage	3,035	1,489	590
Inventory Reclassification	(1,071)	(3,639)	(1,187)
Overstated Sales	-	-	(16)
Total Class I Milk	350,656	348,589	356,801
% Jan. '61 compared with:	100.0	100.6	98.3
Class II Milk Pounds (Used to Produce)			
Butter	7,705	5,733	6,796
Cottage Cheese	14,275	11,931	12,032
Powdered and Condensed Milk	3,595	-	21,248
Ice Cream	13,835	14,644	12,460
Inventory Variation	10,562	(3,118)	9,417
Other	52,877	84,985	9,580
Total Class II Milk	102,849	114,175	71,533
% Jan. '61 compared with:	100.0	90.1	143.8
<u>TOTAL UTILIZATION CL.I AND CL.II MILK LBS.</u>	<u>453,505</u>	<u>462,764</u>	<u>428,334</u>
% Producer Milk of Gross Class I	125.0	126.7	117.2
% Producer Skim of Gross Class I Skim	123.8	125.6	116.2
% Producer Butterfat of Gross Class I Butterfat	157.5	155.7	143.6
% Producer Milk Priced in Class I	78.7	77.3	84.4

NUMBER OF FARM PAYROLL ACCOUNTS

	1960												1961
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Can	185	178	167	164	162	157	152	141	130	105	82	20	3
Tank	528	526	534	538	535	538	538	559	577	597	617	673	679
Total	713	704	701	702	697	695	690	700	707	702	699	693	682
New	5	1	0	3	0	2	3	17	21	6	4	2	2
Quit	5	10	3	2	5	4	8	7	14	11	7	8	13

MILK SAMPLES TESTED - Producer Fresh 6,017 - Finished Products 258.

A milk sample is taken each time milk is picked up at the farm. During January, an average of 8.8 samples per producer was used to determine butterfat content and pay test. The remainder of the samples were used by various agencies to determine milk solids, water, bacteria, sediment, antibiotics, etc.

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR JANUARY 1961
Based on 19 plant reports prior to audit

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	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		10,870,346	3.538		
Less Other Source		178,471	1.463		
Producer Milk Class I	78.7%	10,691,875	3.573134	\$5.092776	\$544,513.24
Gross Class II		3,188,309	7.197		
Less Other Source		288,127	1.996		
Producer Milk Class II	21.3	2,900,182	7.713481	6.099437	176,894.77
TOTAL PROD. (Cl. I + Cl. II)	100.0	13,592,057	4.456573		721,408.01
Less Fractional Adjustment					.05
Add Compensatory Payment Value		45,642		0.47	214.52
Add Overage Value					93.13
Add Inventory Reclassification Value					101.28
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					5,982.58
TOTAL VALUE AT TEST		13,592,057	4.456573		727,799.47
Less Test Over 4% @ 7.6¢ per point		13,592,057	.456573	0.346995	47,163.76
TOTAL VALUE AT 4.0%		13,592,057	4.0	5.007599	680,635.71
Less Producer-Settlement Fund Reserve		13,592,057		.047599	6,469.68
UNIFORM PRICE f.o.b. POOL PLANT - 4%		13,592,057	4.0	\$4.96	\$674,166.03

JANUARY 1961 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$4.20	3.6	\$4.656	4.2	\$5.112	4.8	\$5.568	5.4	\$6.024
3.05	4.238	3.65	4.694	4.25	5.15	4.85	5.606	5.45	6.062
3.1	4.276	3.7	4.732	4.3	5.188	4.9	5.644	5.5	6.10
3.15	4.314	3.75	4.77	4.35	5.226	4.95	5.682	5.55	6.138
3.2	4.352	3.8	4.808	4.4	5.264	5.0	5.72	5.6	6.176
3.25	4.39	3.85	4.846	4.45	5.302	5.05	5.758	5.65	6.214
3.3	4.428	3.9	4.884	4.5	5.34	5.1	5.796	5.7	6.252
3.35	4.466	3.95	4.922	4.55	5.378	5.15	5.834	5.75	6.29
3.4	4.504	4.0	4.96	4.6	5.416	5.2	5.872	5.8	6.328
3.45	4.542	4.05	4.998	4.65	5.454	5.25	5.91	5.85	6.366
3.5	4.58	4.1	5.036	4.7	5.492	5.3	5.948	5.9	6.404
3.55	4.618	4.15	5.074	4.75	5.53	5.35	5.986	5.95	6.442

FEBRUARY 1961 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Feb. '61	Jan. '61	Feb. '60
Basic Formula (See page 4)	\$3.80	\$3.82	\$3.51
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.12)	(0.14)	0.00
Class I Price, 4.0% Butterfat	\$5.43	\$5.43	\$5.26
Per \$ 1000.51 (a)			
Supply-Demand Comparison: 1st and 2nd preceding months: December and January			
Supply: Lbs. Producer Milk (Dec. 13,690,887 and Jan. 13,592,057)			27,282,944
Demand: Lbs. Net Class I Milk (Dec. 10,779,642 and Jan. 10,768,667)			21,548,309
Utilization Percentage: Producer milk divided by Class I			127
Standard Utilization Percentage: Range 117-121			121
Net Deviation Percentage: Utilization minus Standard Utilization			plus 6
Supply-Demand Adjustment: 2 cents x 6 percentage points			minus 0.12

Since the supply in relation to the demand is more than the desired standard, the price is decreased 12 cents per hundredweight (2 cents x 6 percentage points).

PRODUCTION BY STATES AND COUNTIES
FOR THE CHATTANOOGA MILK MARKETING AREA

State and Counties	December 1960				December 1959			
	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm	Pounds Milk Delivered	% of Total	No. of Prod.	Daily Av. Lbs. Per Farm
<u>TENNESSEE</u>								
Bledsoe	316,269	2.31	19	537	264,665	2.09	19	449
Bradley	2,399,979	17.53	135	573	2,419,117	19.08	153	510
Coffee	93,260	.68	5	602	-	-	-	-
Cumberland	151,505	1.11	8	611	76,009	.60	4	613
Franklin	724,003	5.29	37	631	474,244	3.74	24	637
Hamilton	1,215,506	8.88	56	700	1,269,825	10.01	58	706
Loudon	328,669	2.40	13	816	120,023	.95	8	484
Marion	354,978	2.59	28	409	411,241	3.24	29	457
McMinn	3,250,479	23.74	167	628	2,971,110	23.43	170	564
Meigs	635,322	4.64	39	525	684,739	5.40	44	502
Monroe	664,393	4.85	26	824	665,047	5.24	32	670
Polk	487,631	3.56	22	715	516,581	4.07	22	757
Rhea	356,677	2.61	22	523	389,230	3.07	27	465
Sequatchie	591,737	4.32	27	707	485,848	3.83	28	560
Total	11,570,408	84.51	604	618	10,747,679	84.75	618	561
<u>GEORGIA</u>								
Catoosa	790,524	5.77	30	850	737,820	5.82	32	744
Walker*	962,576	7.03	35	887	825,474	6.51	36	740
Total	1,753,100	12.80	65	870	1,563,294	12.33	68	742
<u>ALABAMA</u>								
DeKalb	213,322	1.56	14	492	174,319	1.37	13	433
Jackson	154,057	1.13	10	497	196,489	1.55	14	453
Total	367,379	2.69	24	494	370,808	2.92	27	443
TOTAL MARKET	13,690,887	100.00	693	637	12,681,781	100.00	713	574

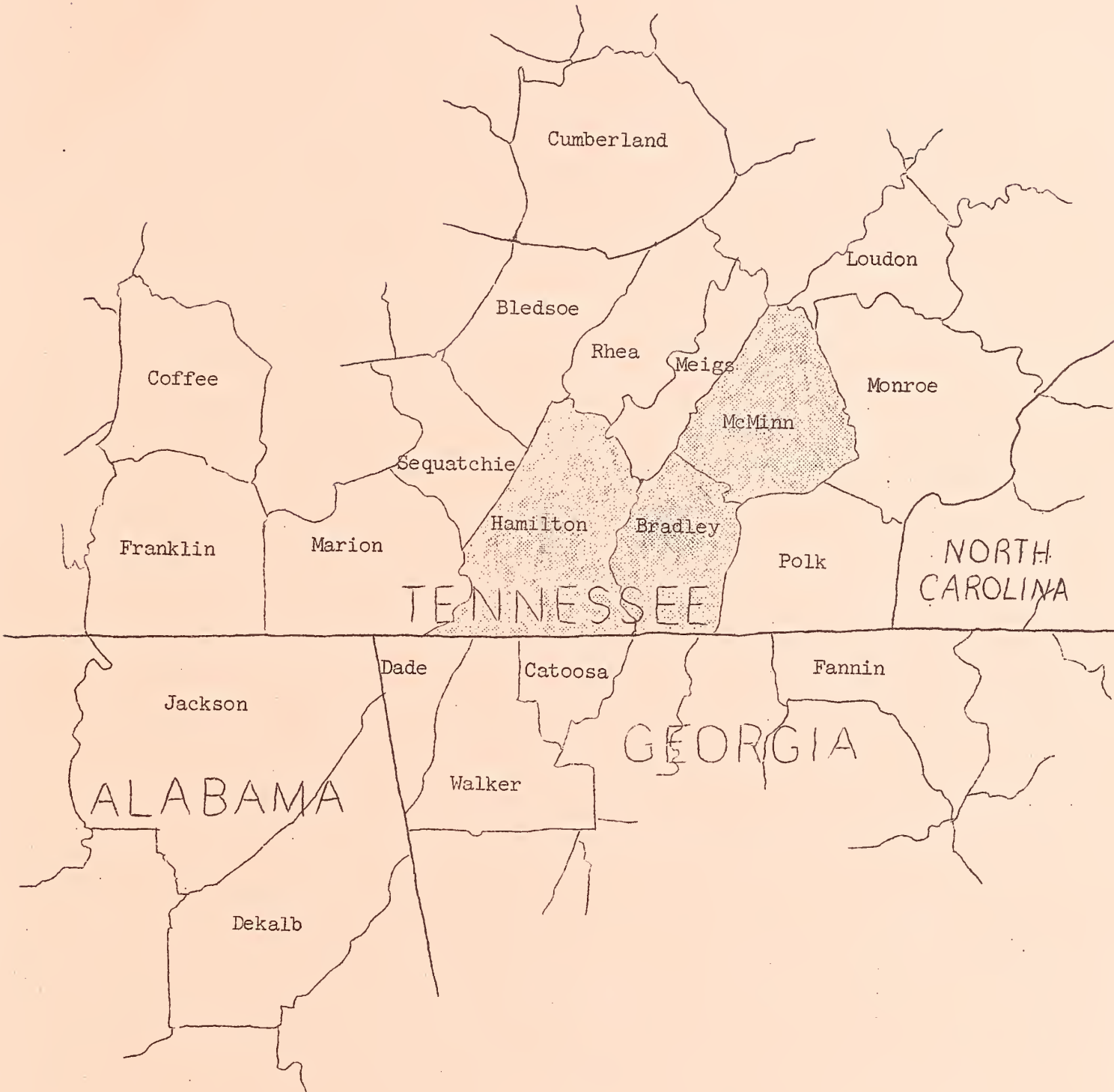
* Includes 1 producer in each Dade and Fannin counties.


COMPARISON OF PRODUCER RECEIPTS AND GROSS CLASS I (DAILY AVERAGE)

Month	PRODUCER RECEIPTS			GROSS CLASS I		
	1960	1959	1958	1960	1959	1958
Jan.	418,023	388,175	386,527	356,801	362,232	333,724
Feb.	411,790	378,577**	363,475	365,338	341,167	337,832
Mar.	388,659**	399,902	376,313	364,784	332,496	329,719
Apr.	443,554	443,890*	431,190*	364,048	341,167	315,814
May	444,101	433,519	429,256	336,344	329,182	311,391
June	390,059	404,243	382,696	327,515	320,140**	288,811**
July	391,646	390,727	359,507**	327,075**	331,541	299,494
Aug.	406,758	411,167	383,592	336,437	342,026	323,673
Sep.	453,829	438,703	392,411	384,465*	393,150*	374,368*
Oct.	460,803*	415,281	395,523	357,521	387,831	370,590
Nov.	456,802	410,745	392,877	357,666	361,259	355,410
Dec.	441,642	409,090	389,617	348,589	353,852	337,125
Simple Av.	425,639	410,335	390,249	352,215	349,670	331,496

* High Month of Year

** Low Month of Year



 CHATTANOOGA MILK MARKETING AREA - As defined in Federal Order No. 100 includes all the territory within the boundaries of Bradley, Hamilton and McMinn counties.

SUMMARY OF CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES ^{1/} Per Hundredweight				HANDLER CLASS PRICES ^{1/}			
	Uniform	Base	Excess	Bf.Dif.	Class I		Class II	
					Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Jan. '60	\$4.96	-	-	7.6¢	\$5.34	8.0¢	\$3.38	6.7¢
Feb.	4.96	-	-	7.2	5.26	7.5	3.21	6.7
Mar.	5.07 ^{2/}	\$5.18	\$3.15	7.4	5.25	7.5	3.19	6.7
Apr.	4.93 ^{2/}	5.18	3.05	7.2	5.40	7.5	3.09	6.7
May	4.73 ^{2/}	4.96	3.02	7.2	5.34	7.5	3.06	6.7
June	4.83 ^{2/}	4.98	3.02	7.2	5.23	7.5	3.06	6.7
July	4.84 ^{2/}	5.03	3.02	7.2	5.25	7.5	3.06	6.7
Aug.	4.83	-	-	7.4	5.26	7.5	3.09	6.8
Sept.	4.84	-	-	7.6	5.14	7.7	3.50	7.0
Oct.	4.74	-	-	7.6	5.19	8.0	3.52	7.0
Nov.	4.85	-	-	7.6	5.30	7.9	3.55	7.1
Dec.	4.84	-	-	7.6	5.29	8.0	3.50	7.0
Jan. '61	4.96	-	-	7.6	5.43	7.9	3.50	7.0
Feb.	-	-	-	-	5.43	7.9	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter	4 Tenn. Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.	Cond.	Cheese	Powder	Milk	
Jan. '60	3.128	57.962	13.250	34.750	3.51	3.20	3.38	3.21	3.51
Feb.	3.119	57.976	13.205	34.750	3.48	3.20	3.38	3.21	3.48
Mar.	3.095	57.970	13.070	34.750	3.47	3.20	3.38	3.19	3.47
Apr.	3.032	57.974	12.975	32.350	3.39	3.16	3.35	3.09	3.39
May	2.998	57.944	12.800	32.000	3.36	3.15	3.34	3.06	3.36
June	3.000	57.974	12.755	32.000	3.36	3.15	3.35	3.06	3.36
July	3.014	57.988	12.710	32.000	3.37	3.16	3.35	3.06	3.37
Aug.	3.076	59.041	12.720	33.062	3.45	3.22	3.40	3.09	3.45
Sept.	3.202	61.280	12.780	36.600	3.58	3.38	3.50	3.23	3.58
Oct.	3.311	60.773	13.085	37.750	3.69	3.38	3.52	3.25	3.69
Nov.	3.402	61.470	13.150	37.750	3.78	3.41	3.55	3.25	3.78
Dec.	3.440	60.491	13.130	37.750	3.82	3.37	3.50	3.25	3.82
Jan. '61	3.415	60.466	13.190	36.750	3.80	3.35	3.50	3.25	3.80

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS ^{3/}				Gross Repts.	Number of Hdlr.Prod.		Deliveries Per Farm--Pounds			Prod. Milk Test%
	Gross Cl.I	Prod. Cl.I	Prod. Repts.	Base Repts.				Prod.	Base	Exc.	
Jan. '60	356,801	352,832	418,023	-	428,334	19	713	586	-	-	4.41
Feb.	365,338	358,744	411,790	-	428,440	19	704	585	-	-	4.39
Mar.	364,784	360,301	388,659	369,056	412,314	19	701	554	526	28	4.43
Apr.	364,048	359,098	443,554	393,065	457,996	19	702	632	560	72	4.19
May	336,344	331,632	444,101	390,950	461,097	19	697	637	561	76	4.16
June	327,515	322,519	390,059	360,248	406,662	19	695	561	518	43	4.11
July	327,075	322,754	391,646	354,554	408,644	19	690	568	514	54	4.06
Aug.	336,437	331,519	406,758	-	425,433	19	700	581	-	-	4.07
Sept.	384,465	379,222	453,829	-	465,087	18	707	642	-	-	4.12
Oct.	357,521	352,291	460,803	-	474,665	18	702	656	-	-	4.32
Nov.	357,666	350,651	456,802	-	473,350	18	699	654	-	-	4.41
Dec.	348,589	341,406	441,642	-	462,764	19	693	637	-	-	4.47
Jan. '61	350,656	344,899	438,453	-	453,505	19	682	643	-	-	4.46

^{1/} Excludes Premiums^{2/} For statistics only^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I;
Excess is Producer minus Base